



2011 ASMC PDI

Navy Workshop DN02

**Object Class: Building
Blocks for Budget
Preparation and Execution**

June 1, 2011

DN02 Object Class: Building Blocks for Budget Preparation and Execution

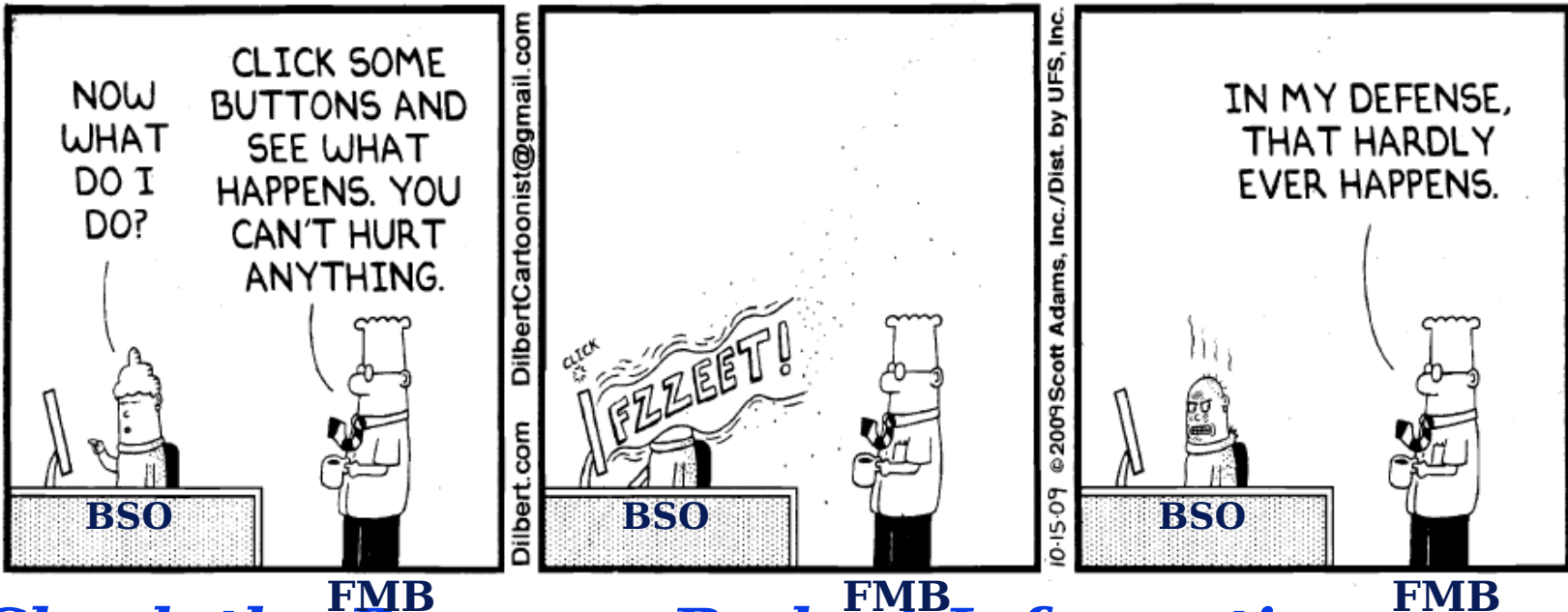
- **Overview - Object Class Information and Uses**
- **Object Data Submissions and Reviews during the typical Budget Cycle**
- **Object Data from the Echelon I/Departmental perspective**
- **Object Data from the Echelon II /BSO perspective**
- **Questions**

**Check out BG 11-1G guidance, Enclosure (4),
BOCS processes and procedures:**

Or you can push some BOCS buttons...

DILBERT

By Scott Adams



***Check the Program Budget Information
Center (PBIC) for the latest gouge at:***

<https://fmbweb1.nmci.navy.mil/fmb32/PBIC.htm>

Object Class

- Categories in a classification system that represent *obligations by the items or services purchased by the Federal Government* OMB Circular A-11
- Object classes describe obligations according to their initial purpose, *not the end product or service*
 - Example: A federal employee is paid to construct a building
 - The obligation is under *personnel compensation and benefits, not OCC 32.0*
 - When categorizing *other contracts*, have to consider to purpose
 - What if the government pays a contractor to construct the building
- Why report object class information - 31 USC 1104(b) requires the President's Budget to present obligations by object class for each account

Uses of Object Class Data

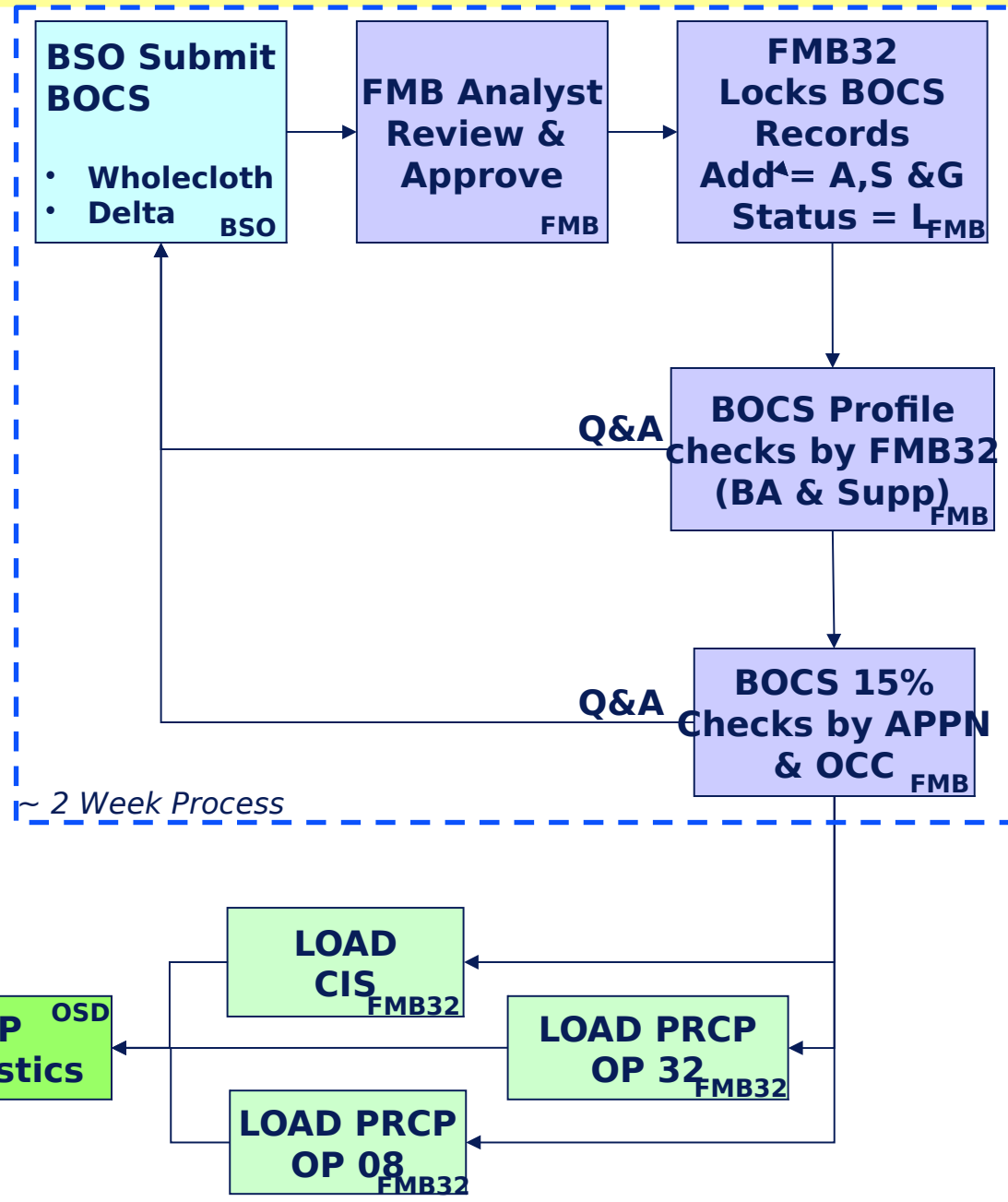
- **Budget Submissions - President's Budget/OSD BES/DON Budget Submission**
 - **Budgetary data use for pricing**
 - **Navy Working Capital Fund rates and pricing for WCF exhibits (25.3)**
 - **O&M object class data makes up the OP-32 exhibit within the OP-5**
 - **OP-08 data is used to update CIVPERs object data (OCC 11 through 13)**
 - **PB-15 Advisory and Assistance Services exhibit is derived from OCC 25.1**
 - **Fuel pricing in ICC's 400, 401 and 937 reflective of the OP-26 exhibit**
- **OSD Interest in Object Class Information**
 - **Trends for 25.1 and 25.2 through PB11 and PB12 - *Contract Services***
 - **In both years, significant Contract Services reductions**

Submissions

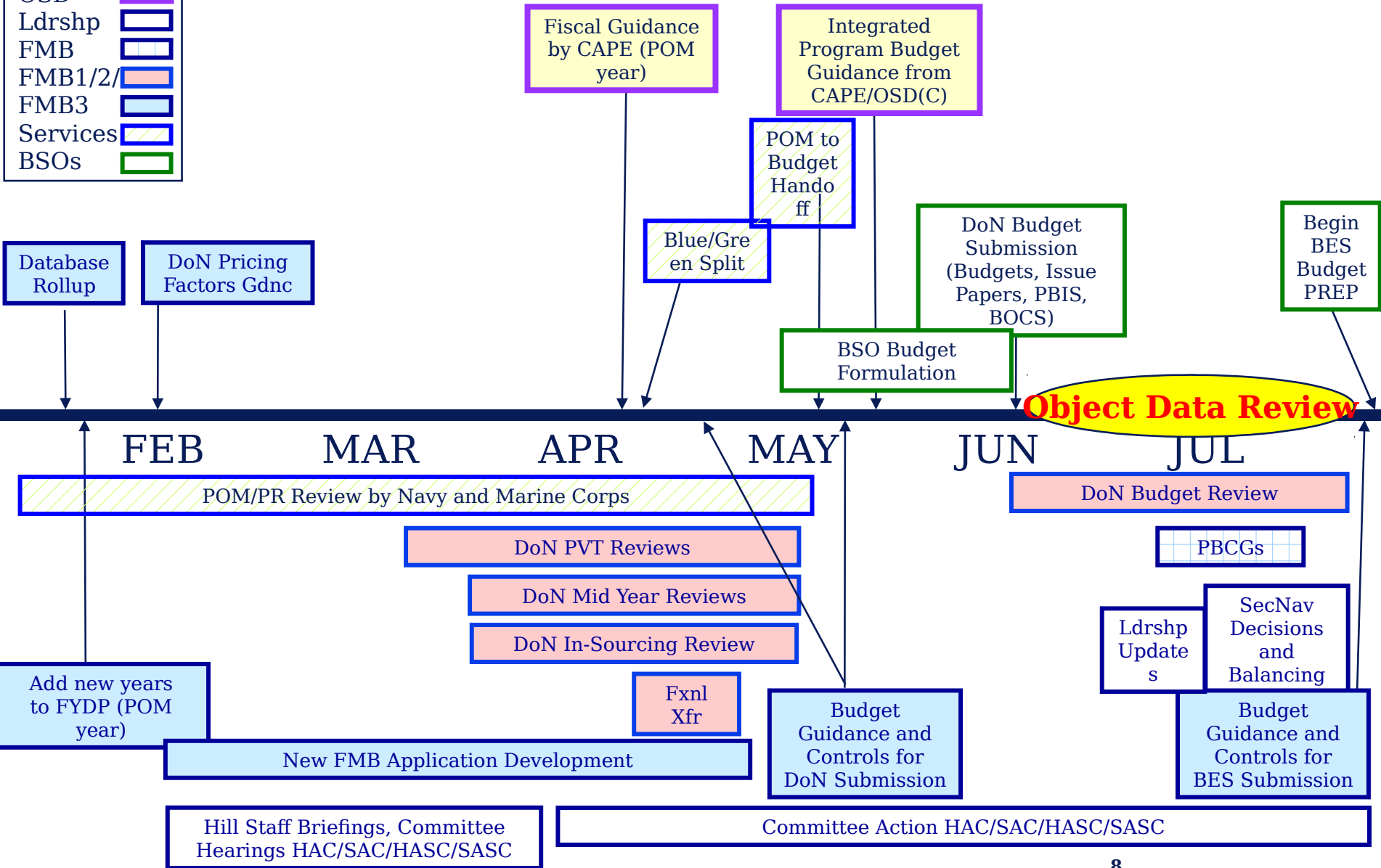
- **Object class submitted three times during the program/budget review**
 - **DON Budget Submission (~June)**
 - **OSD Budget Estimate Submission (BES) (~July)**
 - **President's Budget (~January)**
- **Time compression in recent years has made the Department's PB submission for object data challenging**
- **OSD RMDs have typically been published later than previous years**
- **Final RMDs coupled with DON end game decisions to get to final balancing**
- **Scheduling rush to publish controls...needed for building budgets**
- **Results in inadequate time to develop, submit and review Object Data in BOCS** *(generally takes about 2 weeks to build, submit and review)*

PROCESS

- BSOs formulate and submit BOCS data by OCC, ICC, AIC
- FMB Analysts review for consistency with budget descriptions
- Once complete, FMB analysts approve records in Add = A,S,G
- FMB32 reviews for balance w/PBIS by BA and LI, and profiles
- FMB32 does check for 15% limit for OCC starting with 25XX
where $(2521 \text{ total} / 25XX \text{ Total}) < 15\%$
- Data is then loaded to PRCP and CIS
- OSD system diagnostics must be reviewed for any differences



- OSD
- Ldrshp
- FMB
- FMB1/2/
- FMB3
- Services
- BSOs



Financial Management & Comptroller

OSD
 FMB
 FMB1/2/
 FMB3
 FMB/BSO
 BSO
 Requires GDNC #

Issue Papers assigned to CAPE/OSD(C)

Draft RMDs and PDMs

Signed RMD Issued By OSD

Inflation RMD 800 and RMD 426

Budget Controls #

FMB J Book Review

BSO Reclamas

FMB Appeals

BSO J Books to FMB

SNaP Due

Load SDCS

300 Series 3 D's

J Books to Hill

Object Data Review

AUG SEP OCT NOV DEC JAN FEB

OSD BES Data Submit #

OSD BES J Books #

FMB/BSO FY10 EOY Clean-up #

FMB/BSO RMD Clean-up #

FMB/BSO Inflation Clean-up

BSO BOCS

Print J Books

FMB/BSO FY10 Congr Action Clean-up #

Final Budget Submission To OMB

FMB23 Load R&D XML

FMB/BSO Earmark Reporting

Security Review
 Highlights Book
 Rollout Brief 9 Prep

RMD = Resource Management Decision
 RMD 800 = OSD Issues
 RMD 802 = Inflation (Pay, Purchase, Fuel)
 RMD 426 = WCF Adjustments

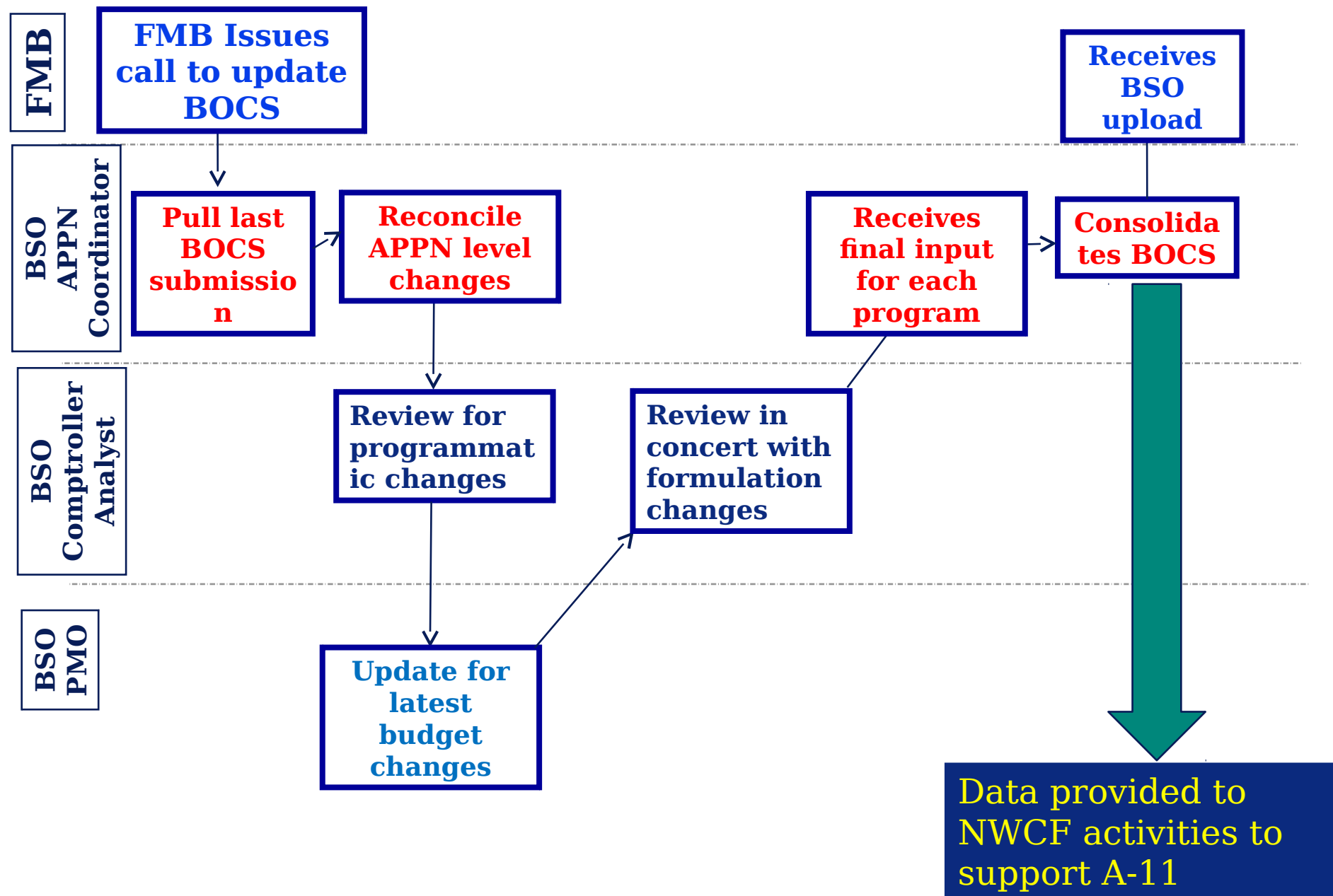
Object Data Submissions

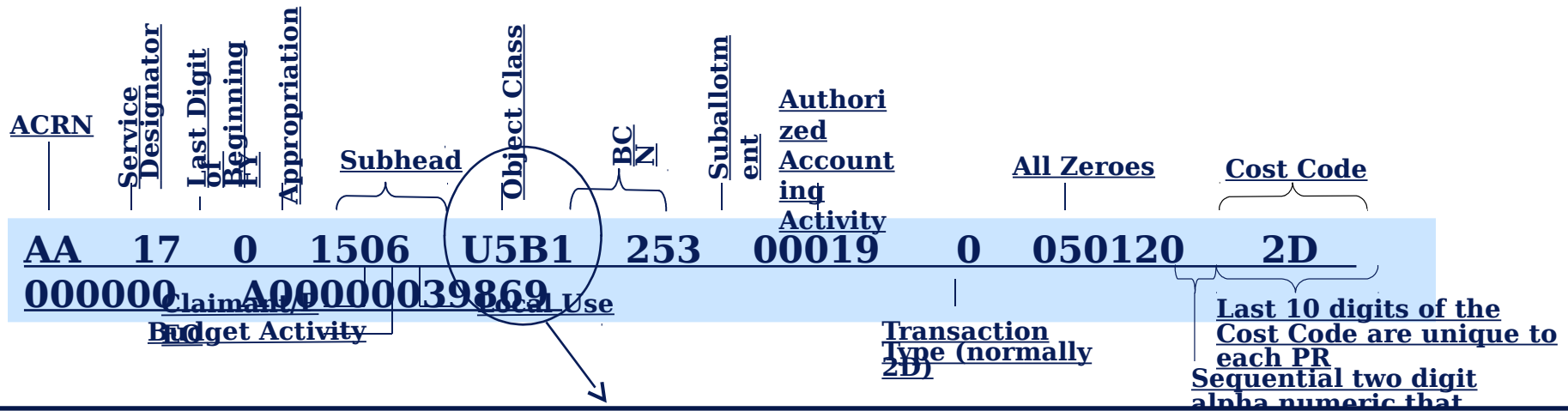
- **Proficiency**
 - Handling the information only three times per year
 - Command turnover and impact to corporate knowledge base
- **Approach to Object Data**
 - System updates - *Wholecloth* versus *Delta*
 - ERP enhancements and the drive for improved data fidelity
 - End of Year Actuals reporting
 - Object Class Information is starting to instill discipline in budgetary processes - natural carryover to execution
- **Timing and Schedule**
 - Continued refinement of processes to improve product at the PB
 - Automation and unintended tradeoffs

Object Data is now more important than ever

- **DON focus areas**
 - **Data accuracy paramount for standard budgetary work**
 - **Contractor Services trends (25.1/25.2) must be consistent and decreasing across budget display years**
 - **15% checks ((25.2/Sum of 25) < 15%)**
 - **New BOCS code has been deployed to reduce difficulty in loading data**
- **OSD trends**
 - **Appetite for Object Data, trends, and perceived errors**
 - **OSD is constantly using data trends to determine new areas in the budget to exploit for their review**
 - **OSD is already looking at alternative methods to re-engage Contractor Services efforts - FPDSNG and other contract data sources**
- **The future**
 - **Object Data, while limited in detail today, will evolve as we go forward to new levels of accuracy and detail**

- **Process Flow for budget formulation**
- **Connection between BOCs budget formulation and budget execution**
- **BSO Key Takeaways**





Every financial transaction executed is connected to OCC and BOCs via LOA4

Example of BOCS Data

APPN	BA	LI	BSO	PEO	SUBLI	OCC	ICC	AIC	R	D/ISSUE	\$2011	\$2012	\$2013
WPN	02	2101	19	C	00	2511	0932	XN	D	70325	141	143	
WPN	02	2101	19	C	00	2511	0934	ZN	D	70325	4544	4415	
WPN	02	2101	19	C	00	2521	0989	00	D	70325	2130	2164	
WPN	02	2101	19	C	00	2531	0987	00	D	70325	1006	1094	
WPN	02	2101	19	C	00	2533	0610	N1	D	70325	6278	5449	
WPN	02	2101	19	C	00	2533	0611	N2	D	70325	5426	4664	
WPN	02	2101	19	C	00	2533	0612	N3	D	70325	5233	4613	

- **Ensure Budget Adjustments reflect appropriate Object Class Codes**
 - **CSS Efficiencies to OCC 251 etc.**
- **If actuals do not match plan...be prepared to explain**
 - **Programmatic explanation is key**
- **Timely update of execution actuals**
- **BSOs utilize execution detail to monitor OCC execution vs. plan**

Questions?

